GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:4284
ANSWERED ON:15.12.2000
SUGARCANE BASED INDUSTRIES
SUBODH MOHITE

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Government proposes to lift all controls and regulations imposed on sugarcane based industries to develop its own strength and face free trade regime under World Trade Organisation;

(b) if so, the details thereof;

(c) if not, the reason therefor; and

(d) the other measures suggested for growth of sugarcane based industries in the country?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (S SREENIVASA PRASAD)

(a), (b) & (c) : Sugar industry is the major sugarcane based industry in the country. Since sugar is an essential commodity, it is duty and responsibility of the Government to make it available to the consumers at reasonable prices. In order to ensure its availability to consumers at reasonable prices as also to ensure fair realisation to sugar mills, Government has put reasonable restrictions on its production, supply and distribution. Recently, Government has taken certain measures to remove or relax the restrictions/ controls as under:-

(i) Sugar industry has been delicensed in September, 98.

(ii) Government has liberalized the sugar trade by lifting the stock holding limit imposed on recognised dealers of sugar, but the turn-over period limit of 30 days has been retained which has been made applicable to domestic as well as imported sugar vide Notification date 7-7-2000.

(iii) There were restrictions on sale of at least 47.5% of monthly freesale quota during each fortnight. Government has removed the said restriction vide Notification dated 13-4-99. Further, Government has also allowed the sugar factories to sell upto 10% of the monthly free sale quota in the succeeding month subject to the condition that the sale should be effected by 7th of succeeding month vide Notification dated 25-1-2000.

(d) In order to encourage growth of the sugar industry, the Government has been taking various measures. Some of them are given below:-

(i) Levy obligation on sugar factories has been reduced from 40% to 30% w.e.f. 1.1.2000.

(ii) Assistance is given to sugar factories at concessional rates of interest from the Sugar Development Fund for their modernization, rehabilitation as also for cane development in their areas.

(iii) Incentives are given to the newly set up/expanded capacity sugar factories under the incentive scheme if they fulfill all the conditions laid down in the incentive scheme.